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Message Text

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45
ACTION AF-06

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 PA-01 PRS-01 /051 W
---------- 009839
R 021230Z FEB 76
FM AMEMBASSY PRETORIA
TO SECSTATE WASGRC 3722
INFO AMCONSUL CAPE TOWN
AMBNSUL JOHANNZBURLU5413
VNRUEHCR/AMCONSUL DURBAN 3616

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CAPE TOWN ALSO FOR EMBASSY

E.O. 11652: N/A
TAGS: EGEN SF
SUBJ: ESCOM RAISES MAJOR LOAN THROUGH US BANKS

BEGIN UNCLASSCWSED.

1. JOHANNESBURG STAR ANNOUNCED JAN 28 SA ELECTRICITY SUPPLY COMMISSION (ESCOM) RAISED $200 MILLION MEDIUM TERM BANK CREDIT FROM OVERSEAS. UNDERWRITERS WERE MORGAN GUARANTY, FNCB, MANUFACTURERS HANOVER AND BARCLAYS

2. CREDIT WILL BE FOR FIVE YEARS WITH INTEREST RATE PEGGED AT 1.75 PERCENT ABOVE THE SIX MONTH EURODOLLAR INTERBANK RATE O 6.25 PERCENT. PROCEEDS WILLFLOW INWARD IN INSTALLMENTS BEGINNING IN FEBRUARY. FUNDS ARE TO BE FOR ESCOM'S CAPITAL EXPENDITURE PROGRAM.

3. THE ARTICLE ALSO REPORTED THAT ESCOM WILL BE SEEKING MORE CASH FROM OVERSEAS BUT IN THE FORM EURODOLLAR BONDS RATHER THAN
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BANK CREDITS, AS WELL AS FROM THE LOCAL CAPITAL MARKET.

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END UNCLASSIFIED.

4. BEGIN LIMITED OFFICIAL USE. EMBASSY COMMENTS: (A) THE FNCB MANAGER HAS TOLD US THAT ESCOM WAS LOOKING FOR $250 MILLION, THUS IT FELL CONSIDERABLY SHORT OF ITS GOAL. WE UNDERSTAND THAT THE INTEREST RATE IS ABOVE WHAT ESCOM HAS FORMERLY PAID, REFLECTING INCREASED SOUTH AFRICAN DIFFICULTIES IN OBTAINING FUNDS FROM ABROAD. (B) WE NOTE REPS OF THE HILL SAMUEL GROUP, MERCHANT BANKERS OF JOHANNESBURG HAVE INFORMED THE AMBASSADOR IN CAPE TOWN OF THEIR PLANS TO VISIT THE US IN LATE FEBRUARY OR EARLY MARCH TO SEEK LONG-TERM FINANCING FOR PROJECTS IN THE ENERGY FIELD NOT OTHERWISE IDENTIFIED EXCEPT SASOL WAS NOT INVOLVED. CONTACTS IN THE US THAT THEY FORESAW WERE BANKS OR "URANIUM COMPANIES". END LIMITED OFFICIAL USE.
BOWDLER

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Message Attributes

Automatic Decaptioning: X
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Copy: SINGLE
Draft Date: 02 FEB 1976
Decaption Date: 01 JAN 1960
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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To: STATE
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